

Mr. William H. Green III  
49 Crescent Beach Drive  
Huntington, NY 11743

December 19, 2016

**SENT VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED**

The Honorable Janet Yellen, Chair  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue N.W.  
Washington, D.C. 20551

Dear Chair Yellen:

In your statement to the Committee on Financial Services of September 28, 2016, you stated that “The (federal banking) agencies are also exploring potential options for alleviating some burdens of appraisal requirements and are actively considering proposals to simplify regulatory capital requirement for community banks.”

The appraisal organizations shown below, all of whom are Sponsors of The Appraisal Foundation, would like to request that a representative from our group be made a part of the discussions among the agencies in considering potential changes to appraisal requirements.

We understand the difficulties faced by smaller community banks in finding a qualified appraiser within the time frames defined by existing regulations. We also understand the complexities involved in finding a qualified appraiser in remote locations who can gather and analyze market data, and provide sufficient comparables to arrive at a credible value conclusion. We believe, based on conversations with community banks, that there are solutions to these issues if all involved players participate in the discussions, and that such outcomes can be achieved without the need for full, formal government action

We do not feel that it is in the interest of the consumer or the financial community to lower the appraisal de minimis standards for valuing properties, given that an under or over-valued property could result in severe consequences for lenders and consumers alike. Put simply, the benefits of professionally performed appraisal services are far greater than the short term “relief” some in the lending community are currently seeking.

In particular, the de minimis of \$250,000 should not be raised. While home prices have been moving up recently, September’s S&P Corelogic Case-Shiller 20-City Home Price Index indicates that the average home price in the United States is still just below \$192,000. It is clear that the existing de minimis is already substantially above the average home value. We are concerned that the safety and soundness of loans processed without suitable valuations could have a detrimental effect on the community banks involved, on organizations purchasing their paper, and on consumers in the case that the property is overvalued.

We are ready and willing to provide any and all needed intellectual capital to ensure that not only are all viewpoints considered, but that outcomes are responsive to the current concerns of the lending community.

Please contact Mr. John Russell, Esq. of the American Society of Appraisers (ASA) on (703) 733-2103 who will be representing the undersigned with any questions, concerns or to establish potential meetings with the agencies. I can also be contacted at (516) 457-2829.

Sincerely,



William H. Green III, Chair of Sponsoring Organizations of The Appraisal Foundation  
Cc: The Honorable Daniel K. Tarullo, The Honorable Martin J. Gruenberg, The Honorable Richard Cordray,  
The Honorable Thomas Curry, The Honorable Rick Metsger, The Honorable Karen Lawson



**Signed by: James R. Hirt**

**Title: Chief Executive Officer  
American Society of Appraisers**



**Signed by: Stephen E. Sousa**

**Title: Executive Vice President  
Massachusetts Board of Real Estate Appraisers**



**Signed by: William H. Green III**

**Title: National President  
Columbia Society of Real Estate Appraisers**



**Signed by: Louis A. Bonato**

**Title: President  
National Association of Independent Fee Appraisers**



**Signed by: Carlos Alberto Santiago-Flores**

**Title: President  
Instituto de Valuadores de Puerto Rico**



**Signed by: Archibald Williams**

**Title: Representative  
North Carolina Professional Appraisers Coalition**



**Signed by: Neil Shah**

**Title: Regional Managing Director, Americas  
Royal Institution of Chartered Surveyors**

**Signed by: William E. Brown**

**Title: President 2017  
National Association of Realtors**



**Signed by: Joseph M. Jackson**

**Title: Executive Director  
International Society of Appraisers**

**Signed by: Linda Selvin**

**Title: Executive Director  
Appraisers Association of America**

The Most Trusted Rural Property Professionals



**Signed by: Brian Stockman**

**Title: Executive Director  
American Society of Farm Managers & Rural Appraisers**

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